

PSC No: 18 - Electricity  
Rochester Gas and Electric Corporation  
Initial Effective Date: October 2, 2006

Leaf No. 26.1  
Revision: 2  
Superseding Revision: 1

**SERVICE CLASSIFICATION NO. 1 (Cont'd)**  
**STREET LIGHTING SERVICE**

Transition Charge ("TC", or Non-Bypassable Charge ["NBC"]):

The Transition Charge (TC) is a per kilowatt-hour charge that will recover specific generation and purchased power-related costs net of credits for the value of generation and purchased power controlled by the Company.

Fixed components of the TC include the fixed costs of RG&E owned-generation and generation related regulatory assets and allocated uncollectible costs associated with electric supply.

The remaining components of the TC will be flowed through the TC as actually incurred on a monthly basis, subject to true-up in subsequent months:

- (a) Variable costs of RG&E-owned generation,
- (b) Transmission-related costs and revenues,
- (c) The value of the output of the RG&E-owned generation,
- (d) Ancillary services (excluding Schedule 4 - Energy Imbalance) and NTAC costs will vary and be reconciled on a monthly basis,
- (e) The net value of NYPA, Nine Mile 2 and Ginna purchased power contracts. The net value will be based on the actual output and contract costs, and the actual NYISO locational market prices. The value of the NYPA power will be streamed to residential customers as required.

A Transition Charge – Variable (TCV) Statement setting forth the monthly Residential and Non-Residential Transition Charges will be filed with the Public Service Commission on not less than one (1) day's notice prior to the effective date. Such statement can be found at the end of this Schedule (PSC 18 - Electricity).

**2. ESCO Option with Supply Adjustment (EOSA)**

This Retail Access choice consists of the charges described under Electricity Supply Pricing Option No. 3, RG&E Fixed Price Option (FPO), a Supply Adjustment in the form of a Market Based Backout Credit ("MBBC"), and a Retail Access Credit ("RAC"). The MBBC, as described in Rule 11.C.10 of Schedule PSC 19 - Electricity, fluctuates with the market price of electricity and consists of energy, unforced capacity, unforced capacity reserves, losses and unaccounted for energy. The RAC is a fixed credit of \$0.005 per kWh. Electricity supply is provided by an ESCO.

**3. RG&E Fixed Price Option (FPO)**

This Non-Retail Access choice includes fixed charges for RG&E delivery service, a fixed Transition Charge (TC, as described below), a fixed commodity charge for electricity supply, and a Bill Issuance Charge. Electricity supply is provided by RG&E.

RATE: (Per Month)

Delivery Charges:

The Delivery Charges for Circuit Charge, Fixture Charge, and Lamp Charge are specified in the Delivery Charges section of this Service Classification.

System Benefits Charge:

All kilowatthours, per kWh

Per SBC Statement

Renewable Portfolio Standard Charge:

All kilowatthours, per kWh

Per RPS Statement, as described in Rule 4

Retail Access Surcharge:

All kilowatthours, per kWh

Per RAS Statement, as described in Rule 4

ISSUED BY: James A. Lahtinen, Vice President Rates and Regulatory Economics, Rochester, New York